

Department of Employee Trust Funds
LOCAL HEALTH INSURANCE ADMINISTRATION MANUAL

**CHAPTER 3 — ELIGIBILITY, INITIAL ENROLLMENT AND
COVERAGE INFORMATION**

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301 Coverage Eligibility

All employees, including part-time employees, participating in the Wisconsin Retirement System (WRS) are eligible for group health insurance and must be offered coverage if the employer elects to provide coverage under the Wisconsin Public Employers Group Health Insurance program. This includes:

- Active employees participating in the WRS.
- Retired employees receiving an annuity from the WRS (including a lump sum or disability annuity) who were participants in the employer's preceding group health insurance plan.
- Insured employees terminating employment after age 55 (age 50 for protective category employees) having 20 years of WRS creditable service who defer the annuity. Insured employees who terminate employment (for reasons other than gross misconduct) and fail to meet the above age and service requirements, must be offered continuation coverage. (Refer to Chapter 7.)
- Rehired annuitants that elect to return to active WRS coverage.

302 Employer Premium Rate Contributions

The *It's Your Choice* booklet (ET-2128) lists the monthly insurance premium for each health plan. The effective date of the employer contribution shall not be later than the first of the month following the completion of six months service with the employer under

WRS. Employers determine the amount they will contribute towards the premium under one of the following methods:

- A. 105% Contribution Method: The employer contribution toward the premium for any eligible employee will be between 50% and 105% of the least costly qualified health plan within the service area of the employer (but will not exceed the total premium for the selected plan). This dollar amount remains unchanged regardless of the health plan chosen by the employee. The employer contribution may be reduced to a minimum of 25% of the least costly qualified health plan for employees who are appointed to work less than half-time (1,044 hours).
- B. Tiered Contribution Method: A Three-Tier health insurance premium option is available. Each health plan is assigned to one of three tiers based on the relative efficiency with which it provides benefits and quality of care. Health plans providing the most cost effective, high-quality care as determined by ETF are assigned to Tier 1, moderately cost-effective plans to Tier 2, and the least cost-effective to Tier 3. The minimum employer contribution amount under the tiered contribution method is the same as the 105% contribution method (50% of the lowest cost plan in the employers service area for full-time employees and 25% for less than half-time employees). However, employers participating in a tiered contribution method are not limited to the maximum contribution of 105% of the premium of the lowest cost plan provided all of the following apply:
- The employer contribution toward employee health insurance premium is based upon the tier into which each available health plan is placed by the Group Insurance Board.
 - The employee required contribution to the health insurance premium for single coverage is the same dollar amount for all health plans in the same tier, regardless of the total premium. The employee required contribution to the health insurance premium for family coverage is the same dollar amount for all health plans in the same tier, regardless of the total premium.
 - The employee required contribution to the health insurance premium for a health plan classified in a higher cost tier, as compared to a health plan in the next lowest cost tier, increases by at least \$20 per month for single coverage and \$50 per month for family coverage.

Example: Assume there are only three health plans in the service area of the employer and all are qualified. One plan falls into each tier. The single and family premiums are as shown in the following table:

Plan Name	Tier Placement	Total Single Premium	Total Family Premium
Plan A	1	\$400.00	\$900.00
Plan B	2	\$440.00	\$1,000.00
Plan C	3	\$950.00	\$2,000.00

As all health plans are qualified, Plan A is the least costly qualified health plan. The minimum employer contribution for all health plans is shown in the table below:

Minimum Employer Contribution Share

	Full-time Employees	Part-time Employees
Single Coverage	\$200.00 (\$400 x 50%)	\$100.00 (\$400 x 25%)
Family Coverage	\$450.00 (\$900 x 50%)	\$225.00 (\$900 x 25%)

Under the 105% contribution method, the maximum employer share is 105% of the least costly qualified health plan within the service area of the employer, and it cannot exceed the total premium for the selected health plan. The maximum employer contribution for single coverage is \$420 (\$400 x 105%) and family coverage is \$945 (\$900 x 105%). The minimum employee contribution can be determined by subtracting the maximum employer contribution from the total premium. The table below summarizes the maximum employer and minimum employee contribution under the 105% contribution method for each health plan in this example:

105% Contribution Method Maximum Employer / Minimum Employee Contribution

Plan Name	Single Coverage			Family Coverage		
	Total Premium	Maximum Employer Share	Minimum Employee Share	Total Premium	Maximum Employer Share	Minimum Employee Share
Plan A	\$400.00	\$400.00	\$0	\$900.00	\$900.00	\$0
Plan B	\$440.00	\$420.00	\$20.00	\$1,000.00	\$945.00	\$55.00
Plan C	\$950.00	\$420.00	\$530.00	\$2,000.00	\$945.00	\$1,055.00

Under the tiered contribution method, the minimum employee contribution is a set dollar amount as described earlier in this subchapter. The table below summarizes the maximum employer and minimum employee contribution under the tiered contribution method for each plan in this example:

Tiered Contribution Method Maximum Employer / Minimum Employee Contribution

Plan Name	Tier	Single Coverage			Family Coverage		
		Total Premium	Maximum Employer Share	Minimum Employee Share	Total Premium	Maximum Employer Share	Minimum Employee Share
Plan A	1	\$400.00	\$400.00	\$0	\$900.00	\$900.00	\$0
Plan B	2	\$440.00	\$420.00	\$20.00	\$1,000.00	\$950.00	\$50.00
Plan C	3	\$950.00	\$910.00	\$40.00	\$2,000.00	\$1,900.00	\$100.00

303 Initial Enrollment and Effective Dates

Employers should immediately upon hire provide newly eligible employees with the *It's Your Choice* booklet (ET-2128) and the *Group Health Insurance Application* (ET-2301). All eligible employees must submit a completed application, even those who do not wish to enroll (Refer to subchapter 304).

Employees can avoid limitations of plan selection and the pre-existing conditions waiting period by enrolling:

- A. Within 30 days of their date of hire. Coverage is effective the first day of the month which occurs on or after the date the application is received by the employer; or
- B. Prior to the date the employee becomes eligible for the employer contribution toward premium. Coverage is effective the first day of the month on or following the date the employee becomes eligible for the employer contribution.

Coverage effective dates for teachers (employment category 10) are based on the dates WRS employment begins and the date a completed application is received by the employer. Health insurance coverage is effective the first of the month in which WRS employment begins if the application is received on, or prior to, the first of that month. For applications received after the first of the month in which WRS employment begins, coverage is effective the first of the following month.

Example: A teacher is hired (signs a contract) on June 27 and begins employment on August 29 (WRS begin date). In the event the employer receives the completed application on or prior to August 1, the coverage effective date is August 1. Should the employer receive the completed application after August 1 and on or prior to September 1, the coverage effective date is September 1.

NOTE: Employees failing to enroll during a specified enrollment period are limited to the Standard Plan and subject to a 180-day waiting period for all pre-existing conditions. (Refer to subchapter 305 for other enrollment opportunities.)

Employees may elect to enroll in the Group Health Insurance program before the employer contribution towards health insurance premiums begins. These employees have the option to change health plans and/or coverage types effective on the first of the month that the employer contribution begins. Employees canceling coverage prior to the date that the employer contribution begins may re-enroll with the coverage becoming effective on the first of the month that the employer contribution begins.

Employers have the option, when both spouses are employed by the same employer and both are eligible for coverage, of offering the following:

- A. Both employees may elect single coverage.
- B. One employee may elect family coverage.
- C. One employee may carry family coverage while the spouse has single coverage, if permitted by the employer.
- D. Both employees may carry family coverage with the employer, if permitted by the employer.

304 Declining Coverage

An employee declining to enroll in the Group Health Insurance program when initially eligible must complete (mark the appropriate box waiving coverage, sign, and date) a *Group Health Insurance Application* (ET-2301) indicating that coverage is being declined. Employees should be reminded that once coverage is declined, coverage elected at a later date is limited to the Standard Plan with a 180-day waiting period for ALL pre-existing conditions. The only exception is the onset of qualifying events creating special enrollment opportunities as described in subchapter 305.

Employers are prohibited from providing payments to employees who decline coverage under this program.

305 Enrollment Opportunities for Employees who Previously Declined/Cancelled Coverage

The following events create an opportunity for employees who previously declined or cancelled coverage to enroll in any health plan without the limitation of a 180-day waiting period for pre-existing conditions:

- A. Loss of Other Coverage: Employees who declined coverage under the Group Health Insurance program due to the following circumstances:

- Coverage under another health insurance plan;
- Coverage under medical assistance (Medicaid);
- Coverage as a member of the US Armed Forces;
- Coverage as a citizen of a country with national health care coverage comparable to the Standard Plan options.

and who lose eligibility for the other coverage (does not include voluntary cancellation of the other coverage) or the employer's premium contribution for the other coverage ceases, may take advantage of a special 30-day enrollment period without waiting periods for pre-existing conditions.

- B. Change in Coverage: Employees enrolled in single coverage, though eligible for family coverage, may change to family coverage if any eligible dependents covered under another health insurance plan lose eligibility for that coverage or the employer's contribution towards the other coverage ceases.

The special 30-day enrollment period begins on the date the other health insurance coverage terminates. Employees must submit a *Group Health Insurance Application* (ET-2301) to their employer during the special 30-day enrollment period along with documentation of the loss of other coverage, or the employer contribution ending. Coverage will be effective on the date the other coverage ends or the employer premium contribution ends.

NOTE: The special enrollment period is not available if the employee and/or their dependents remain eligible for coverage under a health insurance plan that replaces the other plan without an interruption of coverage.

- C. Birth/Adoption/Marriage: Employees who declined coverage under the Group Health Insurance program have a special opportunity to enroll in family coverage if they have a new dependent as a result of birth, adoption, placement for adoption, or marriage. Coverage is effective on the date of birth, adoption, placement for adoption, or marriage if an application is submitted within 30 days of a marriage or 60 days of the birth, adoption, or placement for adoption.

A full month's premium is due for the month if coverage or change in coverage is effective before the 16th of the month. Otherwise, the new premium rate goes into effect the following month.

306 Completing the *Group Health Insurance Application* (ET-2301)

Verify the employee's eligibility for group health insurance coverage (Refer to subchapter 301). Provide the employee with the *It's Your Choice* booklet (ET-2128) and *Group Health Insurance Application* (ET-2301). Inform the employee of the deadline for submitting the application to ensure the selection of any health plan without limitation and to receive the identification cards prior to the coverage effective date.

Each eligible employee must submit the application to the employer even if declining coverage. It is important there is written documentation indicating the employee declined coverage. The employee should complete the application, following the instructions on the application cover sheet. The employer must verify that the information is complete, accurate and legible.

Complete the employer information section as described below, indicating the date the application was received. Retain the employer copy of the application and submit the remaining plies to ETF.

In the employer section at the bottom of the application, the employer must enter:
(Refer to Chapter 11 for applicable codes.)

- a. Employer Number (EIN) - the number given to employers by the Social Security Administration, beginning with 69-036. Enter the last seven digits of the number (e.g., 69-036-**9999-000**).
- b. Name of Employer
- c. Program Option Code - identifies the program selected. (Refer to subchapter 1105.)
- d. Surcharge Code - identifies the surcharge amount, if any. (Refer to subchapter 1107.)
- e. Group Number - the first digit is the number 7, followed by the four-digit segment of the EIN (e.g., **79999**).
- f. Enrollment Type code - identifies the reason for submitting an application. (Refer to subchapter 1104.)

- g. Employee Type code - enter "06". (Refer to subchapter 1103.)
- h. Coverage Type Code - identifies the type of coverage selected. (Refer to subchapter 1102.)
- i. Carrier Suffix - identifies the health plan, or carrier, selected. This must match the name of the plan selected by the employee.
- j. Standard Plan Waiting Period - identifies for whom the 180 day waiting period applies. Leave this field blank if there is no waiting period. (Refer to subchapter 1106.)
- k. Participant County Code - the county of the subscriber's place of residence. (Refer to subchapter 1101.)
- l. Physician County Code - the county location of the subscriber's selected physician or clinic. (Refer to subchapter 1101.)
- m. Previous Service - Complete Information - check the appropriate response for each question.
- n. Date Application Received by Employer - the date the employer received the completed application. It is important this date be accurate in order to determine if the application was received on a timely basis.
- o. Date Employment Began - the month, day and year the employee began WRS employment with the employer. For rehired employees, enter the rehire date.
- p. Monthly Employee Share - the amount the employee contributes toward the monthly premium for the health plan selected. (Refer to subchapter 302.)
- q. Monthly Employer Share - the amount the employer contributes toward the monthly premium for the health plan selected. (Refer to subchapter 302.)
- r. Event Date - ONLY complete this field indicating the date of the event IF the reason for submitting an application is one of the following:
 - marriage
 - return from a leave of absence or layoff and coverage had lapsed
 - change from a single to family contract due to the addition of an eligible dependent
 - change from family to single coverage due to the deletion of last eligible dependent
 - divorce which resulted in a change of coverage from family to singleOtherwise, leave this field blank.
- s. Prospective Date of Coverage - the month, day and year the coverage should be effective. (Refer to subchapter 303.)
- t. Payroll Representative Signature - acknowledging the date the employer received the application and that an audit of the application has been completed.
- u. Telephone number - of the employer representative who signed the application.

Distribute the application copies as follows:

1. ETF Advance Copy - send immediately to ETF. Refer to subchapter 108 for the mailing address.
2. Carrier Advance Copy - send immediately to the health plan.
3. Employer Copy - retain for your records.

4. ETF Coverage Report Copy - Submit to ETF with the appropriate month's *Monthly Additions Report* (ET-2610). (Refer to subchapter 502).
5. Employee Copy - return to the employee.

NOTE: When an employer initially joins the Group Health Insurance program, the *Initial Offering Group Health Insurance Application* (ET-2343) is used for enrollment. This application is not used after the initial offering. After the initial offering, employees are required to complete *Group Health Insurance Applications* (ET-2301).

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307 Group Health Insurance Application (ET-2301)

ETF Use Only		State of Wisconsin Department of Employee Trust Funds HEALTH INSURANCE APPLICATION				Employer Notes				
		Applicant's Social Security Number		Spouse's/Ex-Spouse's/Dependent of/Survivor of: Name & Social Security Number						
Applicant—Last Name		First	Middle	Maiden Name	NEW HEALTH PLAN SELECTED					
Address—Street and No.		City		State	CURRENT HEALTH PLAN					
Postal Code	County	Country (if not USA)		Group No. _____ Subscriber No. _____						
ELIGIBILITY STATUS (check one) <input type="checkbox"/> Employee <input type="checkbox"/> Survivor <input type="checkbox"/> Contingent (COBRA) <input type="checkbox"/> Annuitant <input type="checkbox"/> Other				I WANT MY COVERAGE TO BE EFFECTIVE: <input type="checkbox"/> As soon as possible <input type="checkbox"/> When employer contributes premium						
MARITAL STATUS: <input type="checkbox"/> Single <input type="checkbox"/> Widowed (date) _____ <input type="checkbox"/> Divorced (date) _____ <input type="checkbox"/> Married (date) _____										
A. REASON FOR SUBMITTING APPLICATION										
<input type="checkbox"/> Initial Enrollment – 02		<input type="checkbox"/> Dual-Choice - 40		<input type="checkbox"/> LTE/half-time employee elig. for new enrollment period – 02						
<input type="checkbox"/> Cancellation – 09		<input type="checkbox"/> Moved from Service Area – 41 Date: _____		<input type="checkbox"/> Transfer from One State Agency to Another - 04						
<input type="checkbox"/> Change to Family Coverage – 43		<input type="checkbox"/> Spouse to Spouse Transfer – 31		<input type="checkbox"/> COBRA (or continuation) – 63						
<input type="checkbox"/> Change to Single Coverage – 44 or 45*		Name of State Agency: _____		<input type="checkbox"/> Other: _____						
<small>* The deletion of a dependent due to loss of eligibility provides an opportunity for continuation coverage (COBRA) up to 36 months. See your Payroll Representative for information.</small>										
B. COVERAGE DESIRED <input type="checkbox"/> Single (Applicant Only) <input type="checkbox"/> Family (Applicant, Eligible Spouse, Eligible Children)										
Last Name	First	Middle	Maiden	Birthdate MO DAY YR	Sex M/F	Social Security Number	Rel. Code	Student Status	SELECTED PHYSICIAN OR CLINIC. Indicate "NONE" if electing standard coverage.	
Applicant									Name (Last, First)	County
Spouse										
Dependent Children										
<small>Children include: your natural children who are dependent upon you or the other parent for at least 50% of their support and are your natural children, legal wards who became your ward prior to age 19, adopted children, stepchildren, or children of your dependent child until your child reaches age 18.</small>										
C. OTHER COVERAGE — If you or any family member listed above is covered under other group health insurance, including MEDICARE, list.										
Medicare? <input type="checkbox"/> No <input type="checkbox"/> Yes - Covered under Medicare name(s): _____										
Other Coverage? <input type="checkbox"/> No <input type="checkbox"/> Yes Through the State of WI, including University of WI? <input type="checkbox"/> No <input type="checkbox"/> Yes Insurance Company _____										
Name(s) of Insured(s) _____										
Group No. _____ Subscriber (Policy) No. _____ Name of Employer _____										
<input type="checkbox"/> I apply for the insurance under the indicated health insurance contract made available to me through the State of Wisconsin and under the TERMS AND CONDITIONS on the reverse side. A copy of this application is to be considered as valid as the original.										
<input type="checkbox"/> I do not wish to enroll at this time, or I wish to cancel my current coverage.										
SIGN HERE & Return to Employer		Applicant Signature				Date Signed (MM/DD/CCYY)		Home Telephone Number ()		
								Daytime Telephone ()		
EMPLOYER COMPLETES AREA BELOW Coding Instructions are in the Employer Health Insurance Manual										
Employer Number 69-036-		Name of Employer				Program Option Code		Surcharge Code		
Group Number	Enrollment Type	Employee Type	Coverage Type Code	Carrier Suffix	Standard Plan Waiting Period	Participant County Code	Physician County Code			
Previous Service – Complete Information 1. Did employee participate under WRS prior to being hired by you? <input type="checkbox"/> Yes <input type="checkbox"/> No 2. Previous service check completed? <input type="checkbox"/> Yes <input type="checkbox"/> No 3. Source of previous service check: <input type="checkbox"/> Extranet <input type="checkbox"/> ETF					Date Application Received by Employer (MM/DD/CCYY)		Date Employment Began (MM/DD/CCYY)			
Monthly Employee Share \$		Monthly Employer Share \$			Event Date (MM/DD/CCYY)		Prospective Date of Coverage (MM/DD/CCYY)			
Payroll Representative Signature						Telephone ()				

308 Identification (ID) Cards

Subscribers will receive an ID card from the health plan for use when obtaining medical services and an ID card from the Pharmacy Benefit Manager (PBM) to be used when filling prescriptions. (Refer to subchapter 205 for further information about the PBM.) Member identification numbers are different on each card. Submit application forms at least one month prior to the effective date whenever possible to allow sufficient time for the health plan and PBM to issue the ID cards to the subscriber prior to the effective date.

Subscribers can contact the health plan and PBM directly to request additional ID cards. Phone numbers for the health plans and PBM are listed in the *It's Your Choice* booklet (ET-2128).

309 Coverage During Leave of Absence

Insured employees on a leave of absence (LOA) choose whether to continue health insurance coverage during the leave. A LOA is any period in which an employee is not working for, or receiving earnings from, the employer **and** has not terminated the employer-employee relationship as defined in Wis. Stat. §40.02(40). An employee on LOA is subject to the same eligibility and enrollment provisions as an active employee. A LOA is considered terminated when an employee returns to work for 30 consecutive calendar days for at least 50% of their normal work time.

A. Employee on LOA Continues Coverage:

The following apply to employees continuing health insurance coverage during an approved LOA:

- The maximum length of time coverage can be continued for an employee on LOA is **36 months**. After 36 months or upon termination (whichever occurs first), coverage may be continued under continuation coverage regulations. (Refer to Chapter 7 for information about continuation coverage.)
- Premiums must be paid in advance, either by deduction from the last payroll check or by direct payment to the employer. Employers must receive premium payments in advance of the coverage month.
- Employer contributions toward premium payment are at the discretion of the employer.
- Employees on LOA are reported along with active employees on the employer's monthly reports to ETF. Any payments received from employees on LOA should be made payable to the employer and included in the employer's monthly remittance to ETF.
- Employers must provide Dual-Choice information to employees on LOA

prior to the beginning of the designated Dual-Choice Enrollment period.

- An employee on a union-service leave may continue coverage beyond 36 months until termination of the leave or the date that service with that labor organization ceases, whichever occurs first.
- Employees continuing coverage while on LOA are not required to complete a *Group Health Insurance Application* (ET-2301) upon return to work.

B. Employee on LOA Allows Coverage to Lapse:

The following apply to employees on approved LOA who allow health insurance coverage to lapse and choose to reinstate coverage upon return to work:

- The employee must submit a *Group Health Insurance Application* and is limited to the same health plan and level of coverage as before the LOA. The application must be received within 30 days of the employee's return to work. Coverage is effective the first of the month following the employer's receipt of the completed *Group Health Insurance Application*. After 30 days, enrollment is limited to the Standard Plan with a 180-day waiting period for pre-existing conditions.
- The employee may change level of coverage only if a special enrollment opportunity (e.g., marriage, birth, etc.) occurs during the LOA. (Refer to subchapter 305 for information about other enrollment opportunities.)
- Employees moving to a different county during an LOA may change health plans.
- An employee who returns from a LOA that encompassed the entire previous Dual-Choice enrollment period will be allowed a Dual-Choice enrollment opportunity provided an application is filed with the employer within 30 days of the employee's return to work.
- The coverage effective date for employees returning from military leave or Family Medical Leave of Absence (FMLA) is the date the employee returns to work provided an application is filed with the employer within 30 days of the employee's return to work. A full month's premium is due for that month if coverage is effective before the 16th of that month. Otherwise, the entire premium for that month is waived.

310 Coverage During Layoff

A. Employee Continuing Coverage During Temporary Layoff

The following apply to employees continuing health insurance coverage during a layoff:

- Coverage may be continued for up to 36 months while an employee is on layoff status.
- Employer contributions toward premium payment are at the discretion of the employer.
- Premiums must be paid in advance, either by deduction from the last payroll check or by direct payment to the employer. Employers must receive premium payments in advance of the coverage month.
- Employees on layoff status are reported along with active employees. Any payments received from employees on layoff should be made payable to the employer and included in the employer's monthly remittance to ETF.
- Employers must provide Dual-Choice information to employees in layoff status prior to the beginning of the designated Dual-Choice enrollment period.
- Employees continuing coverage while on layoff status are not required to complete a *Group Health Insurance Application* (ET-2301) upon return to work.

B. Employee on Layoff Allows Coverage to Lapse:

The following apply to employees on layoff status who allow health insurance coverage to lapse and choose to reinstate coverage upon return to work:

- The employee must submit a *Group Health Insurance Application* and is limited to the same health plan and level of coverage as before the layoff. The application must be received within 30 days of the employee's return to work. Coverage is effective the first of the month following the employer's receipt of the completed *Group Health Insurance Application*. After 30 days, enrollment is limited to the Standard Plan with a 180-day waiting period for pre-existing conditions.
- The employee may change level of coverage only if a special enrollment opportunity (e.g., marriage, birth, etc.) occurs during the layoff. (Refer to subchapter 305 for information about special enrollment opportunities.)
- Employees moving to a different county during a layoff may change health plans.
- An employee who returns from a layoff that encompassed the entire previous Dual-Choice enrollment period will be allowed a Dual-Choice enrollment opportunity provided an application is filed with the employer within 30 days of the employee's return to work.

311 Coverage During Appeal of Discharge

An insured employee appealing an employment discharge may continue to be insured from the date of the contested discharge until a final decision is made. The following apply:

- The employer must receive the first premium payment within 30 days of discharge.
- Future premium payments must be made through the employer and must be received in advance of the coverage month.
- The employee must pay both the employee and employer share of premium due each month until the appeal is resolved.
- The employee must continue to be reported along with active employees on the employer's monthly reports to ETF. Any payments received from employees appealing a discharge should be made payable to the employer and included in the employer's monthly remittance to ETF.

In the event the appeal is decided in favor of the employee and the employee is made whole (as if the discharge did not occur), the employer must reimburse the employee for all employer premium shares paid by the employee during the course of the appeal process. The employer is not required to return the employer share in cases where the employee is not made whole but returns to work under the terms of the final agreement.

In the event an appeal reinstates an employee who allowed coverage to lapse during the appeal, the employee may reinstate coverage provided the employee re-applies for coverage within 30 days of the return to work.

If the final decision is adverse to the employee, the date of termination shall, for purposes of health care coverage, be the end of the month in which the decision becomes final.

If the discharge is for reasons other than gross misconduct, the employee is eligible to continue health insurance for the balance of the 36 months from the original termination date, which is the balance of the continuation period. If the discharge is for gross misconduct, the employee is eligible for conversion coverage and should contact the health plan for information on benefits, rates and policy provisions. (Refer to Chapter 7 for information about continuation and conversion.) A *Continuation-Conversion Notice* (ET-2311) must be provided to the employee using the original discharge date.